

# OFFICIAL GAZETTE

## GOVERNMENT OF GOA

### EXTRAORDINARY

#### GOVERNMENT OF GOA

Department of Animal Husbandry

Directorate of Animal Husbandry &  
Veterinary Services

#### Notification

13-84/KAMD/2003-2004

The following scheme approved by the Government is published for general information:—

#### "KAMDHENU SCHEME"

#### SUBSIDIARY OCCUPATION IN DAIRY FARMING

#### Introduction.—

The main reason for the success of the dairy program in India is the involvement of milk producers in setting up their own organizations for milk production enhancement, milk procurement, processing and marketing. Dairying, as a subsidiary source of income, is a real relief to most of these weaker groups in society. Often one or two milch animals enable these farmers to generate sufficient additional income to break the vicious subsistence agricultural-debt cycle. Animal Husbandry plays a vital role in providing household nutritional security, increased income, and employment especially of women and in rural transformation. Livestock provide economic security and social status to the family.

Concentration of livestock in general and small ruminants in particular, is in marginal, small and semi-medium holdings, which mostly represent poorer sections of the society. Thus progress in livestock sector is directly related to a more balanced development of rural economy and upliftment of the poor sections of the society.

Dairying with crossbred cattle and high yielding buffaloes has become a remunerative business. Studies have shown that dairy enterprise as against crop in rural areas was on the top with regard to profit in marginal, small and medium holding. Dairying and crop production together for small farmers having irrigated land was more profitable than crop farming alone. Animal Husbandry components provide easy cash, therefore, small farmers prefer it to crop production.

#### Objectives of the Scheme.—

The main objectives of the scheme is

- \* to help the farmers to get financial assistance for the purchase of Cross bred Cows and Improved She Buffaloes for their Dairy Unit
- \* to promote self employment in the Dairy sector
- \* to boost the milk production in the State and also
- \* to strengthen the Dairy Co-operative movement in the State.

The scheme will also ensure sustainability and provide improved income and livelihood.

*Eligibility.—*

- \$ Any person residing in Taluka for at least 15 years and having some knowledge or experience in Cattle or Buffaloes farming, preference will be given to unemployed persons.
- \$ He should possess a cattle shed/construct a cattle shed first before submitting his application for Kamdhenu scheme.
- \$ He should have proper Infrastructure for hygienic maintenance or housing of the animals and installation of equipments.
- \$ He should also have sufficient space for storage of feed and fodder.
- \$ Any person who has availed of or has applied for benefit under any scheme for purchase of animals will not be disqualified from applying under this scheme. Incase of farmers who have availed benefits under 1-10 milch animal scheme the farmers are free to purchase the balance of the animals which are not purchased in the quota of 10 animals. Further farmers who have availed of 1-10 milch animal schemes can avail of benefits under Kamdhenu scheme only after 3 years. In case of Modern Dairy they may avail of the benefits of this scheme only after 5 years after the completion of the Modern Dairy scheme.

*Detail guidelines of the scheme.—*

- # The scheme intends to provide self-employment to the youth by assisting the youth or any person desirous in establishing a Dairy Farm, with easily available loan with a low rate of interest and with a guarantee in case of loss of animal due to death.
- # The Government guarantees the Bank with assured subsidy component, assured repayment of loan in case of loss of animal due to death.

*Procedure.—*

1. The farmers interested in availing this facility will have to apply in a prescribed application Form.
2. A non refundable processing fee of Rs.100/- will be collected at the time of accepting the application at the respective Government Dispensary or Hospital. Person applying jointly through the Co-operative Society, with a letter of

the Chairman of the Dairy Society will be exempted from the processing fee but will have to give an undertaking that the society will deposit the monthly installments or E.M.I. of the farmers to the financing institution. Groups of unemployed youth can also apply by registering as Producer Co-operative Society.

3. On processing the cases (processing to be completed in 15 days) the Hospital/Dispensary shall submit the applications of all farmers eligible for purchase, to the Directorate of Animal Husbandry & Veterinary Services, for onward submission to the **Selection Committee** that will comprise of:

✓ Hon'ble Minister (A.H.)	—	Chairman
✓ Secretary (A.H.)	—	Member
✓ Dairy Union Representative	—	Member
✓ Representative to be nominated by C. M.	—	Member
✓ Representative of the G.S.C.B. Ltd.	—	Member
✓ Nodal Officer of the A.H& V.S. Dept.	—	Member
✓ Director of Animal Husbandry	—	Member Secretary.

4. The Selection Committee shall provide the list of farmers approved by them to the Goa State Co-operative Bank Ltd. which will provide finance to the farmers under the Scheme. The list shall contain the number of animals and the maximum amount to be financed. The Farmers are free to purchase the animals on their own or take the assistance of the Veterinary Doctor designated/ appointed for the purpose by the Committee. The animals may be purchased from any recognized market outside Goa or approved breeders in Goa or through Cattle and Buffalo Mellas arranged in Goa by the Department of Animal Husbandry and Veterinary Services or from outside Goa. In case an animal is purchased from a Dairy Farmer in Goa such purchase will have to be only from Farmers who have registered their names and given the detail report in the prescribed "Declaration Form" with the Directorate of Animal Husbandry & Veterinary Services. The farmers opting to register their names in the Declaration forms should have a minimum of 10 animals as Breeding stock in excess to the animals for sale. This procedure is

introduced to safeguard the Farmers from indiscriminate sale of useless and unproductive animals, which may suddenly float in the market due to the simplification of purchase formalities. This is also necessary so as to curb Farmers who may eventually start supplying animals from outside the State and thereby making a fast buck at the cost of the poor farmer. This will however give a boost to genuine local breeders who have surplus animals and had no avenues for sale of the same.

5. The Selection Committee is free to select and depute Officer/Expert to verify the farmers' addresses, infrastructure available with the applicants, animals existing at the cattle sheds and also for getting appraisal report in doubtful cases.

6. The eligible participants under the Scheme can buy upto 10 animals and the cost of each animal is restricted to a maximum Rs.16,000/-, for the purpose of finance. Funds shall be made available on opening of his Account in the designated Bank along with his margin money.

On purchase of the animals the beneficiary will submit the purchase receipt and get their animals duly tagged with Kamdhenu tags or identified by the local Veterinary Doctor / or Designated Official who will confirm the value of the animal on its Phenotypic Characters or Milk yield @ Rs. 1200/- per litre per day in case of cows and @ Rs. 1500/- per litre per day in case of She-Buffalo. The tagging of animals will later on be replaced by Electronic Identification System, which shall replace the present obsolete system of ear tagging and bring in an era of proper identification of animals. The local Veterinary Officer or Designated Officials after due valuation and Identification of the animal/ animals shall submit a report to the Directorate of Animal Husbandry who in turn will submit the details to the Bank. The Bank on receipt of the document shall fix the EMI for 42 months, i.e. the equated monthly installment which should include the Bank interest @ 9%. The Beneficiary will have to pay 50% of the E.M.I. as repayment of the loan for which the Government will provide an additional 50% subsidy to cover up the 100% of E.M.I. The Beneficiary shall also have to pay an additional Rs. 10/- every month, which shall be his contribution to the Redemption Fund or Cattle Insurance Fund, which should be remitted by the GSCB Ltd. to the said fund account in the Mapusa Urban Co-operative Bank. The Beneficiary should pay his share of EMI by the tenth of every month. The EMI will be payable from the subsequent

month of purchase of the animals. The Co-operative Society will have to send the contribution towards the EMD of each farmer deducted from the proceeds of milk to the GSCB Ltd., Head Office, Panaji.

#### *Subsidy.—*

As long as the payment of EMI is made within the due date as per the schedule of payment, beneficiaries would be entitled to receive from the Government an amount, as Subsidy equal to 50% of the installment. In practical terms, the beneficiary would need to deposit only 50% of the EMI as long as his payments are regular and timely, since the Government will release the remaining 50% of the EMI to the Financial Institution on a monthly basis. In case of S.C./ S.T./ O.B.C. the Government shall give initial grant of Rupees eight hundred along with the order of sanction, which will be debited, to the subsidy account by the Bank at the time of disbursement.

The farmer is free to make advance payment of loan in multiples of E.M.D. if he so desires, however, in such cases the Bank will ensure that interest benefits are passed on to the farmer. The Government will however continue to make its monthly contribution of EMI as per the laid down format.

In the event that the beneficiary does not make timely payment for a particular month, he shall not be entitled to take advantage of the Subsidy for that particular month. In the event that he defaults for more than 4 months consecutively, he will be sent a warning letter and a last chance to make the payment at the earliest. It is clarified here that entitlement for 50% Subsidy component for regular and timely repayments shall be available to the beneficiary for the loan relating to purchase of milch animals under this scheme only.

#### *Default of Payment.—*

In case the beneficiary defaults and does not make payment towards his loan for six months consecutively his remaining loan amount shall be frozen and his animal shall become the property of the Department and **he shall not be liable for any Departmental scheme in future.** The Government will however pay the entire remaining loan amount to the Bank from its special funds i.e. Irrecoverable Loans Write Off Funds. The Bank shall not charge any interest on the frozen amount after receiving intimation from the Government.

The Government shall however settle the dues within three months from the date of the letter to the Bank.

*Death of Animal Claim.—*

- Ø In case of the unfortunate death of the animal the Government will advise the Bank to freeze the account and shall take the responsibility of paying the remaining balance of the loan in one installment.
- Ø The farmer shall however have to report the loss of the animal immediately to the local Veterinary Doctor or Dairy Union Doctor or Designated Veterinary Doctor, who will conduct the post mortem, take photographs of dead animal with the ear tag, collect the ear tag and submit the report to the Directorate of Animal Husbandry within three days of conduct of the post-mortem by special messenger so that immediate steps could be taken to advise the Bank accordingly.
- Ø The farmer shall simultaneously report the death of the animal to the Bank authorities in writing.
- Ø The Bank authorities may also verify the death of the animal so as to begin the process of freezing the account, pending formal letter from the Department for the same.

The Government shall maintain three separate Accounts:

Sr. No.	Name of the Account	Bank operating the Account
1.	Subsidies Account	Goa State Co-operative Bank Ltd.
2.	Cattle Insurance Fund/ Scheme Account	Mapusa Urban Co-operative Bank Ltd.
3.	Irrecoverable Loans Written Off Account.	Mapusa Urban Co-operative Bank Ltd.

The amount in each of the heads will be replenished as and when the need arises such that the scheme is kept viable.

**1. SUBSIDIES ACCOUNT**

The subsidies Account will be maintained in liquid fixed Deposits with Goa State Co-operative Bank Ltd. and shall be run partly in the current

account so as to facilitate the bank to regularly pay the E.M.I. of each beneficiary and keep the records of payments.

*Operation.—*

The Goa State Co-operative Bank shall submit a monthly report of all farmers who have paid their EMI within the due date i.e. within tenth of every month and in case of Societies within 15<sup>th</sup> of every month. The Goa State Co-operative Bank Ltd. shall credit matching Grant to the account of all the beneficiaries, deducting the same from the account maintained with them.

Note:— Residual interest due to delay in E.M.I will be debited to the account of the beneficiary and recovered by Bank at the end of 42 EMI's. No subsidy is admissible for such payment.

**2. CATTLE INSURANCE FUND/SCHEME ACCOUNT**

The Government will maintain a "Cattle Insurance Fund" which shall be kept as fixed Deposits with the Mapusa Urban Co-operative Bank of Goa Ltd., a regular contribution from the farmers shall continue to flow from every beneficiary account @ Rs. 10/- per animal per month, which shall be credited by the Goa State Co-op. Bank into a deposit of nature to be decided by Government with the Mapusa Urban Co-op. Bank Ltd.

*Operation.—*

The fund shall be operated on the written request from the Directorate of Animal Husbandry. The Animal Husbandry Department shall request the Mapusa Urban Co-operative Bank of Goa Ltd., to release the requisite amount of fund in favour of 'X' farmer account in the Goa State Co-op. Bank Ltd., on the death of his animal/animals.

**3. IRRECOVERABLE LOANS WRITTEN OFF ACCOUNT**

An amount of Rs. 20.00 lakhs shall be placed in the "Irrecoverable Loans Written off Fund" as fixed deposits for a period as decided mutually by the Government of Goa and Mapusa Urban Co-Operative Bank Ltd.

*Operation.—*

The fund shall be operated on the written request from the Director of Animal Husbandry and

Veterinary Services, who shall request the Mapusa Urban Co-operative Bank Ltd. of Goa to release the requisite amount of fund in favour of 'X' Account in the Goa State Co-op. Bank Ltd..

*Modalities of Financing & Repayment.—*

\* The Financing Institution (presently the Goa State Co-op. Bank Ltd.) shall for all purpose restrict the cost of animals to Rs. 16000/- even if the animal is purchased for a higher amount. The 10% cost of each milk animal shall be borne by the beneficiary as margin money and the remaining 90% cost of the animal shall be restricted to Rs. 14400/-, which shall be financed through the Bank. In case of O.B.C. /S.C /S.T. the margin money of 10% will be reduced by Rs. 800/-. The amount will be repayable in 42 monthly installments and shall bear an interest rate of 9% per annum, while calculating the basis of equated monthly installment (EMI).

\* In case of temporary disability of the animals due to illness, accident, gynaecological problems causing loss of milk the Government will continue to pay the E.M.I to the farmer's account and will also bear the burden of the farmer to pay his installment for the period as per the certificate of the local V.O. or any such Veterinary Doctor as specified by the Selection Committee. The selection committee will review these cases from time to time. In case of permanent disability due to which the farmer will be deprived of the milk permanently due to illness of fatal nature or consequent to sickness like Tuberculosis or Brucellosis etc. such cases will be considered on individual basis with the recommendation of the selection committee.

\* 50% of the equated monthly installment shall become payable on the first day of every month following the month in which the animal is purchased. A grace period of ten days will be available to the participants for payment of the EMI. In the event that the tenth day of the month falls on holiday, a payment made on the following working day shall be treated as having been made within the due date. The Government is committed for payment of 50% of the EMI, which is equal to the installment paid by the Farmer. In practical terms the beneficiary will get a subsidy of 50% and his animal will be insured for only Rs. 10/- per month i.e. Rs. 420/- for 3½ years period.

\* In case of Dairy Societies that opt to guarantee the farmers or in other words when the Dairy

Society submits the applications, the deduction will have to be sent automatically by the Dairy Society to the Goa State Co-op. Bank Ltd. The amount of Rs. 10/- for insurance charges need not be collected from the farmers when the application comes from A and B grade Dairy Societies. Also the grace period may be extended to 15<sup>th</sup> of every month.

*Infrastructure and Working Capital Loan.—*

Under the Scheme the beneficiary is entitled for an infrastructure and working capital loan which will be upto a maximum of Rs 5000/- per animal. The Infrastructure and Working Capital will also be repayable over 42 Equated Monthly Installments, however the subsidy component would be restricted to 25% of the EMI. In other words the farmer pays 75% of the loan and interest and the Government assures the payment of 25 % of the Equated Monthly Installment, which includes the interest.

The infrastructure and Working Capital Loan is provided to the farmers so as to enable him to repair or renovate the cowshed or purchase the initial stock of feed, feeding and milking and other equipment. The loan is optional and the farmer will have to specifically apply for the same in separate form to the Department for which a processing fee will be rupees fifty. The rate of interest for the Working Capital loan shall be restricted to 9%, as is the case in the main scheme for purchase of the animal.

The Working Capital Loan is not separate from the scheme i.e. only farmers availing of the facilities under this scheme are eligible, whereas, farmers who have availed or propose to avail benefits under Modern Dairy Scheme and Purchase of Milch Animal Scheme (popularly known as 1 to 10 Milch Animal Scheme) both shall not be entitled for the subsidy benefit under the scheme.

*Financial Liabilities.—*

Sufficient Budget Provision has been made in this year hence no additional allocation of funds need to be done. An amount of Rs. 80 lakhs has been allocated for the three funds viz. Subsidy Fund, Cattle Insurance Fund and Write off of Bad Loans Fund.

Dr. Augusto de Sequeira Nazareth, Director  
(A.H.) ex officio Jt. Secretary.

Panaji, 4<sup>th</sup> February, 2004.